



**PA 21-145**—sSB 1071

*Government Administration and Elections Committee*

**AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE  
AUDITORS OF PUBLIC ACCOUNTS**

**SUMMARY:** This act makes various changes in statutes about state auditors, auditing, and other related topics. Among other things, the act:

1. explicitly prohibits state agencies from denying the auditors access to their records or accounts (§ 1);
2. (a) requires that certain new or amended state contracts contain a provision allowing the agency to access any of the contractor's relevant data upon demand, at no additional cost, and in the agency's prescribed format and (b) similarly allows the auditors access to this data when auditing the agency (§§ 2 & 3);
3. generally requires state agencies to notify the auditors at least 15 days before contracting for auditing services and prohibits agencies from entering into these contracts until the auditors advise whether they can perform the work instead (§ 4);
4. specifies that private providers of special education services are subject to certain contracting, documentation, and auditing requirements regardless of whether they receive state or local funds directly or indirectly (§ 5);
5. eliminates provisions (a) requiring the state auditors to approve the Connecticut Retirement Security Authority's annual reports and (b) authorizing the state auditors to prescribe the authority's accounting methods and rendering of periodical reports (§ 7);
6. reduces the (a) amount of time by which a municipality must notify the Department of Administrative Services (DAS) of its intention to acquire surplus state property from 120 days to 60 days and (b) maximum extension that DAS may grant on this deadline from 60 days to 30 days (§ 8);
7. conforms certain quasi-public statutes to the general biennial audit requirement to resolve statutory conflicts with auditing frequency (§§ 6, 9-11 & 14-15);
8. extends provisions on prohibited activities for state-hired consultants and independent contractors under the state ethics code to also apply to people they employ (§ 12);
9. requires DAS, when reviewing final plans for any phase of a school building project for conformity with certain requirements (e.g., the State Building Code), to also review them for conformity with school safety infrastructure criteria (§ 13);
10. replaces references to the Office of the Ombudsman within the Department of Children and Families with its Office of Community

## OLR PUBLIC ACT SUMMARY

- Relations to conform to existing practice (§§ 16 & 17); and
11. repeals a provision that required the state auditors to audit Bradley Enterprise Fund reimbursements to the Department of Emergency Services and Public Protection (§ 18).

The act also makes technical and conforming changes.

EFFECTIVE DATE: October 1, 2021, except the change to surplus property deadlines is effective July 1, 2021.

### §§ 2 & 3 — DATA ACCESS UNDER STATE CONTRACTS

#### *State Agency Access (§ 2)*

The act requires that any contract executed, renewed, or amended on or after October 1, 2021, between a state contracting agency and a contractor contain a data access provision. This provision must authorize the state agency to access any contract-related data that the contractor possesses or controls upon demand and in the agency's prescribed format at no additional cost.

This act applies to any executive branch agency, board, commission, department, office, institution or council. It does not apply to the judicial branch; legislative branch; or the offices of the secretary of the state, state comptroller, attorney general, or state treasurer with respect to their constitutional functions; or any state agency with respect to contracts specific to the constitutional and statutory functions of the state treasurer's office.

#### *Auditors' Access (§ 3)*

By law, the state auditors must audit, on a biennial basis or as frequently as they deem necessary, the books and accounts of each state officer, department, commission, board, and court; all state-supported institutions supported; and all public and quasi-public bodies created by public or special act and not required to be audited or subject to reporting requirements under the municipal auditing act.

The act expands this requirement to also include an audit of these entities' records of operations and activities, systems, and data. It specifies that each audit may include an examination of any relevant information about the state department, commission, board, or court being audited that is possessed or controlled by a private entity contracted with them. The act requires that this information be provided upon demand in a format prescribed by the auditors at no cost to the auditors or the department, commission, board, or court.

### § 4 — AUDITING CONTRACTS

The act requires state agencies to notify the state auditors at least 15 days before entering into or amending a contract to purchase auditing services. It prohibits agencies from taking these actions until the auditors have advised whether they can provide the auditing services instead. The act applies this requirement to each state board, authority, commission, department, office,

institution, council, or other agency of the state, including each public higher education institution.

It excludes personal service agreements that (1) cost more than \$20,000 and up to \$50,000 and have a term of up to one year or (2) cost more than \$50,000 or exceed a one-year term. Under existing law, the Office of Policy and Management secretary must immediately notify the state auditors of any such application that she receives for approval of a non-competitively bid personal service agreement for audit services. She must give the auditors the opportunity to advise her as to whether the services are necessary and, if so, could be provided by the auditors (CGS § 4-215).

## § 12 — CONFLICTS OF INTEREST FOR CONSULTANTS AND INDEPENDENT CONTRACTORS

The Code of Ethics for Public Officials prohibits state agency consultants and independent contractors from engaging in certain unethical bidding or contracting practices. The act extends these prohibitions to people employed by these consultants and independent contractors. In doing so, it prohibits these individuals from the following:

1. using the person's contractual authority, or any confidential information acquired in the performance of the contract, to obtain financial gain for the person, their employee, or their immediate family member;
2. accepting another state contract that would impair the person's independent judgment in the performance of the existing contract; or
3. accepting anything of value based on an understanding that the actions of the person on behalf of the state would be influenced.

The law similarly prohibits a person from giving anything of value to a consultant or independent contractor hired by the state based on an understanding that the actions of the consultant or independent contractor would be influenced. Under the act, this prohibition extends to giving anything of value to a consultant's or independent contractor's employee under these circumstances.

## BACKGROUND

### *Related Act*

PA 21-164, § 10, contains the same ethics code expansion to people hired by state-hired consultants and independent contractors.